

Remarks/Arguments:

I. Status Of The Claims

Claims 1-37 are currently pending in the application, each of which stand rejected in the outstanding Office Action. By the present amendment, independent claims 1, 9, 16, 23 and 31 have been amended to more particularly point out the subject matter of the invention. Additionally, new claim 38 has been added. No new matter has been added by these amendments. Favorable reconsideration of the application is respectfully requested in light of the foregoing amendments and following remarks.

II. Rejections Under 35 U.S.C. §112

Claims 1-37 stand rejected under 35 USC §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter that Applicants regard as the invention. More specifically, the Examiner points to the use of the phrase "non-binding indications for securities" as being unclear. For purposes of examination, the Examiner assumed that such indications address terms of sale of securities for purposes of negotiation. This understanding is generally correct. To effectuate this understanding, Applicants have amended the claims such that each independent claim now recites the phrase "non-binding indications to trade securities". As pointed out in the specification (at paragraphs 13, 44 and 45), the indications provide information to allow traders to enter into negotiations to ultimately trade the securities. Furthermore, Applicants respectfully submit that the use of the term "indications" is well known in the art to mean a non-binding purchase or sale offer that can include any of a number of different details regarding the potential securities trade. Thus, Applicants respectfully submit that because the claims now recite that the non-binding indications are indications "to trade securities", the claims are definite.

The Office Action further points to claims 1-8 as being indefinite for purporting to cover a system for performing electronic securities trading, yet no trading actually occurs in the claims. In response, Applicants have amended independent claim 1, from which claim 7-8 depend, to recite "a system for facilitating electronic securities trading." Indeed, this notion of facilitating trading was already in the claim, which recited an electronic trading marketplace "for facilitating the trading of the securities." Accordingly, Applicants respectfully submit that claims 1-8 are now definite.

With regards to claim 23-30, the Office Action further states that the language regarding the desired result of increased liquidity is indefinite because it is not clearly set forth how this goal is achieved. In response, Applicants have amended independent claim 23, from which claims 24-30 depend, to recite that the increased liquidity is "in the form of the automatically provided indications reflecting the orders for securities." In other words, the system of claim 23 eliminates manual reentry of information and transmission of indications to the electronic trading marketplace. The system reads data records reflecting orders for securities from an order management system database and automatically provides non-binding indications based on those records to an electronic trading marketplace. As a result, the orders for securities are automatically available to the electronic trading marketplace, thereby increasing the liquidity, or volume of securities, available on the electronic trading marketplace. The automatically increased liquidity makes traders more likely to use the claimed system. Accordingly, Applicants respectfully submit that claims 23-30 are definite.

Thus, Applicants respectfully submit that each of the Examiner's rejections under 35 U.S.C. §112 have been addressed and respectfully request that such rejections be withdrawn.

III. Rejections under 35 U.S.C. §103

Claims 1-37 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Silverman et al. in view of Millard et al. Applicants respectfully submit that neither Silverman nor Millard, either alone or in combination, teaches or suggests the claimed invention. While Silverman describes an order management system and Millard describes indications to trade securities, the references fail to teach or suggest combining these aspects to arrive at the claimed invention, namely a system and method for interfacing with an order management system (OMS) to read records reflecting orders for securities and automatically provide to an electronic trading marketplace (ETM) non-binding indications to trade securities where the indications are derived from such data records. As described in greater detail below, the claimed invention is not simply an OMS and indications; the claims recite a particular relationship between the OMS and the indications.

Each of the independent claims 1, 9, 16, 23 and 31 recite that the system/method automatically provides non-binding indications, not firm orders, to the electronic trading marketplace by reading information from an order management system database. As such, the claimed invention does not simply involve an OMS and indications to trade securities, but rather a specific relationship between an OMS and indications. More specifically, the claims recite reading information from the OMS to automatically provide indications derived from the data records read from the OMS.

In this regard, independent claim 1 (as amended) recites:

an interfacing module interfacing with an order management system (OMS) database and in communication with the ETM for reading data records in the OMS database reflecting orders for securities and for automatically providing non-binding indications to trade securities derived from the data records in the OMS database reflecting orders for securities to the ETM.

As such, claim 1 is directed to a system that interacts with an order management system to read data records and automatically provide non-binding indications to trade securities reflected in such data records to an ETM. Furthermore, by the present amendment, the claims have been amended to more particularly recite the relationship between the OMS data records and the indications, namely that the indications are "derived from the data records in the OMS database reflecting the orders for securities."

The remaining independent claims 9, 16, 23 and 31 similarly recite this relationship. For example, method claim 23 (as amended) recites: "automatically providing non-binding indications to trade securities derived from the data records to the electronic trading marketplace."

The claimed relationship between the OMS and the indications provides distinct benefits over prior art systems. For example, because indications are automatically provided to the ETM from member trader's or member firms' OMS databases, the ETM offers increased liquidity over prior systems. In other words, the volume of offers to trade securities presented by the ETM is increased. By reading or "pulling" order information from the OMS databases, all or most of a firm's order book is available in the ETM. Notably, the present inventors decided that the best way to provide increased liquidity was to have a system and method that interacted with the trader's OMS to read or pull information from the OMS database and automatically provide order information to the ETM in the form of non-binding indications, not firm orders. Furthermore, the automated aspect of the system allows traders to conduct trades without both entering order information in their OMS and separately placing the order information with an ETM.

Applicants respectfully submit that Silverman fails to teach or suggest the claimed combination of reading records in an OMS database and deriving non-binding indications to

trade securities based on such data records where such indications are automatically provided to an electronic trading marketplace. Silverman is directed to a computerized method and system for tracking orders on a trading floor exchange. As described in Silverman, a trader can initiate an order by entering it into an online/order management system 130, which, in turn, transmits the order to a handheld server 113 and to a computerized booth station 161-162. The handheld server 113 can transmit the order to a handheld computing device 114-116, which can be utilized by brokers on the exchange floor. Thus, Silverman purports to achieve the stated purpose of "achieving greater order processing efficiency" and "more quickly [routing orders] to brokers operating on the floor of the exchange, thereby leading to more timely customer service." Use of the handheld devices 114-116 also allows brokers to "capture some of the order information digitally at the point of sale, whereby costly transcription errors can be reduced." Silverman, col. 2, lines 39-45.

While Silverman does discuss an order management system, it does so only in the context meeting the aforementioned purposes of greater efficiency and quicker routing of binding orders. More specifically, the system of Silverman is used to route binding orders to brokers on the exchange trading floor. As such, Silverman simply does electronically what had previously been performed manually, namely conveying an order received by a trading desk to a broker on the exchange floor by having an exchange clerk manually deliver a copy of the order. Indeed, this is the prior art upon which Silverman improves. See Silverman, col. 1, lines 36-49. There is no teaching or suggestion in Silverman to read orders from an OMS and to automatically provide non-binding indications that are derived from such orders, as recited in the claims.

Applicants also respectfully submit that while Millard describes indications, it fails to teach or suggest the relationship between the OMS and the indications, as recited in the claims. More specifically, Millard fails to disclose a method or system for interfacing with an order

management system to read data records relating to security orders and automatically provide indications of interest derived from such data records to an ETM.

Millard is directed to a network-based securities market that allows a plurality of member firms to trade securities. The Office Action relies upon Millard as disclosing (at paragraph 334) non-binding indications for securities. By way of background, according to Millard, a Member may view a Trading Floor display for viewing postings of Members relating to a single security. Paragraph 332. As described in paragraph 334, a Member may "make a non-binding, private acceptance of the terms of another Member's public posting. The other Member would need to accept that private acceptance to conclude the negotiation." While this paragraph describes, to a certain extent, non-binding indications, it does not disclose reading records from an order management system database and automatically providing non-binding indications derived from such records to an ETM, as recited in the independent claims.

Indeed, Millard fails to teach or suggest any such interaction with an order management system. In fact, Millard teaches away from such automated procedure by requiring a Member to manually enter the parameters of an indication:

[0183] Add Listing

[0184] A Member desiring to post an indication of interest to acquire or transfer an ownership interest in this security **completes standardized posting forms** on the System to specify the Issuer, Security, Restrictions, and desired terms of the transaction.

No reading, or "pulling," of information from an OMS is disclosed. Although Millard describes indications of interest, Applicants respectfully submit that it fails to teach or suggest reading records in an OMS and automatically providing to an ETM indications derived from such records. Accordingly, Applicants respectfully submit that Millard fails to cure the deficiencies of Silverman and that neither Silverman nor Millard, either alone or in combination, renders the invention obvious.

Applicants further submit that combining the teachings of Silverman and Millard is improper, as contrary to the teachings and stated purpose of Silverman. Employing indications, as described in Millard, in the system of Silverman would result in a system for transmitting indications from the trader 120 (in Silverman), to the OMS 130, to the handheld server 113, and, finally, to the handheld computing devices 114-116 used by the brokers on the exchange trading floor. There would be no reading of order records from the OMS to "automatically provid[e] non-binding indications to trade securities derived from [such records]" as recited in the claims. (Claim 1).

As noted above, the purpose of Silverman is to increase efficiency and speed of routing orders. The combination of Silverman and Millard would result in brokers on the trading floor having indications, which would need to be negotiated. However, neither Silverman nor Millard provides a mechanism for the traders 120 to distinguish orders from indications or to identify to the brokers on the trading floor the parameters of which indications the trader 120 wants to negotiate. Also, there is no mechanism to allow the trader 120 to negotiate such indications. Presumably, the brokers would need to return to the respective traders 120 to obtain explicit instructions in the form of an order because an indication is non-binding and cannot be executed without a further, affirmative action by the trader. Such procedure would be time consuming and inefficient. Thus, the proposed combination of Silverman and Millard would be inconsistent with the stated purpose of Silverman (see col 2, lines 39-45) and would render the system of Silverman unsuitable for its purpose of efficiently trading securities on the exchange floor. According to the Manual of Patent Examining Procedure, Section 2143.01 (The Proposed Modification Cannot Render the Prior Art Unsatisfactory for its Intended Purpose) and the cases cited therein, the proposed modification of Silverman in light of Millard is improper. For these additional reasons, Applicants respectfully submit that Silverman and Millard fail to render the claimed invention obvious.

IV. New Claim 38

By the instant amendment, Applicants have added new claim 38. Claim 38 mirrors previously presented claim 23, except that claim 38 recites the affirmative step of "deriving non-binding indications to trade securities from the data records reflecting orders for securities." While such amendment does not narrow the scope of claim 23 and is not new matter because claim 23 already recited that the "indications to trade securities [are] derived from the data records," Applicants present new claim 38 because it more clearly sets forth the relationship between the OMS records and the non-binding indications set forth in the claimed method. As described above, Silverman and Millard, both alone and in combination, fail to teach or suggest deriving indications to trade securities from records read from an OMS; while Silverman describes an OMS and Millard notes indications, there is no teaching of or motivation to arrive at the claimed relationship between the two, namely deriving the indications from the OMS records.

V. Finality of Outstanding Office Action

Applicants respectfully submit that the outstanding Office Action should not be deemed "Final," as indicated. In response to the prior Office Action, mailed December 16, 2002, Applicants submitted arguments traversing the Examiner's Section 102 rejections. In response to such arguments, the outstanding Office Action, mailed August 26, 2003, withdrew the Section 102 rejections and, instead, issued new rejections under Section 103, relying on prior art references not previously presented. Because such rejections are based on new references and applied to claims having the same general scope as those originally presented (indeed, the arguments in this amendment closely paralleled those previously presented), the outstanding Office Action should not be deemed final. Accordingly, Applicants respectfully request that the finality of the outstanding Office Action be withdrawn.

Conclusion

Applicants thus believe that the claims in the present application are in condition for allowance. Applicants respectfully request reconsideration of the present application in view of the foregoing amendments and remarks.

If any extension of time is required to have this paper entered and considered, such extension is hereby petitioned. Any additional fees or charges necessary in connection with the present application are hereby authorized to be charged to Deposit Account No. 19-4709.

Respectfully submitted,

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